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COPY NO. 9

NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

as of

November 20, 1950

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NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

1. COMPLETED PROJECTS

(November 6, 1950-November 20, 1950)

NSC 29 SECURITY OF STRATEGICALLY IMPORTANT INDUSTRIAL OPERATIONS
IN FOREIGN COUNTRIES
(Progress Report, dated October 30, 1950, by the Under
Secretary of State on NSC 29; NSC Action No. 380)

NSC 45/1 AIRFIELD CONSTRUCTION IN THE UNITED KINGDOM AND THE CAIRO-
SUEZ AREA
(Progress Report, dated October 31, 1950, by the Depart-
ment of State on NSC 45/1; NSC Action No. 381)

NSC 40/1 THE POSITION OF THE UNITED STATES WITH RESPECT TO UNITED
STATES AND NORTH ATLANTIC SECURITY INTERESTS IN ICELAND
(Progress Report, dated October 31, 1950, by the Under
Secretary of State on NSC 40/1; NSC Action No. 382)

NSC 56/2 UNITED STATES POLICY TOWARD INTER-AMERICAN MILITARY
COLLABORATION
(Progress Report, dated November 2, 1950, by the Under
Secretary of State on NSC 56/2; NSC Actions Nos. 383b
and 301b)

CENTRAL INTELLIGENCE AGENCY SUPPLEMENTAL BUDGET ESTIMATE
FOR FISCAL YEAR 1951 AND BUDGET ESTIMATE FOR FISCAL YEAR
1952
(NSC Action No. 385)

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2. PROJECTS UNDER CONSIDERATION BY THE NSCA. ITEMS SCHEDULED ON AGENDA FOR 72nd NSC MEETING, WEDNESDAY, NOVEMBER 22, 1950

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY
(NSC 68 Series; NSC Action No. 361; Memos for NSC from Executive Secretary, same subject, dated November 14 and 20, 1950)

Memorandum by the Deputy Secretary of Defense, initiated by the Secretary Defense, and enclosures with reference to Annex No. 1 of NSC 68/1, circulated by the reference memorandum of November 20 in response to the direction of the President in the reference memorandum of November 14. Scheduled for discussion as Item 1 on the revised agenda for the 72nd NSC Meeting, November 22. In addition to the Council and the Secretary of the Treasury, the Secretary of Commerce, the Economic Cooperation Administrator, the Director, Bureau of the Budget, and the Chairman, Council of Economic Advisers have been invited to participate in this Council action. (See also related items in Section 3A and C).

EAST-WEST TRADE

(NSC 91/1; NSC 91; NSC Actions Nos. 347 and 370)

Report by the Secretary of State (NSC 91) was referred by the NSC at its 70th Meeting to the NSC Staff, including members from the Department of Commerce and the Economic Cooperation Administration, to prepare an agreed draft report on the subject for consideration at an early council meeting (NSC Action No. 370a).

Also at the 70th Meeting, the Council agreed that the Secretary of State, the Secretary of Commerce, and the Economic Cooperation Administrator should work out urgent arrangements for temporary relief from the provisions of NSC Action No. 347-c and submit them to the President for approval, pending final action on the report to be prepared by the NSC Staff as indicated above (NSC Action No. 370b).

At its meeting on November 3, the Senior NSC Staff agreed to constitute a Special Committee of officials of Assistant Secretary rank who are familiar with the problem to produce an agreed draft report on the subject.

A draft statement of policy on the subject, prepared in response to NSC Action No. 370a by the Special Committee on East-West Trade, and including a proposed interim procedure in response to NSC Action No. 370b, was submitted as NSC 91/1 for consideration by

NSC STATUS OF PROJECTS

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PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

EAST-WEST TRADE (Cont'd)

the Council, the Secretary of the Treasury, the Secretary of Commerce, and the Economic Cooperation Administrator. Scheduled for consideration as Item 2 on the revised agenda for the 72nd NSC Meeting, November 22. (See also related items in Section 3C).

THE POSITION OF THE UNITED STATES WITH RESPECT TO THE SEATING OF COMMUNIST CHINA IN ORGANS OF THE UNITED NATIONS

(Memo for NSC from Executive Secretary, same subject, dated November 20, 1950)

A draft letter to Senator Connally on the subject, prepared in the Department of State, was referred by the Director, Bureau of the Budget, at the direction of the President to the NSC. Scheduled for discussion as Item 3 on the revised agenda for the 72nd NSC Meeting, November 22.

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PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

B. ITEMS UNDER CONSIDERATION BY MEMORANDUM ACTION

NSC 10/2

(Memo for NSC from Executive Secretary, same subject, dated June 19, 1950)

Memorandum by the Chairman, NSRB, recommending a revision of NSC 10/2, submitted for Council consideration by the reference memo of June 19. Approved by State with comments, July 7. Awaiting action by other Council members. At the request of the Chairman, NSRB, this matter will be scheduled on the agenda of a later Council meeting.

A PLAN FOR NATIONAL PSYCHOLOGICAL WARFARE

(NSC 74; Memos for NSC from Executive Secretary, same subject, dated July 10 and September 14, 1950)

The reference report on the subject, transmitted by the Under Secretary of State and prepared by the organization established pursuant to NSC 59/1, submitted for consideration by the Council and the Secretary of the Treasury by the reference memo of July 10. Approved August 4 by State, subject to comments; approved September 13 by Defense, subject to proposed changes and conditions. Actions by State and Defense submitted for Council consideration in connection with NSC 74 by the reference memo dated September 14. Awaiting memorandum action by other Council members and the Secretary of the Treasury and study by the Senior NSC Staff. (See also Section 3C).

COORDINATION OF U. S. AID PROGRAMS FOR FAR EASTERN AREAS

(NSC 61/1; NSC 61; Memos for NSC from Executive Secretary, same subject, dated May 16 and August 14, 1950)

Pursuant to NSC 61, a report by the Under Secretaries of State and the Army, and with the concurrence of the President, representatives for a Working Group were designated by the Secretaries of State, Defense, the Treasury, and Commerce, and the Economic Cooperation Administrator, to prepare a report looking to closer coordination of economic and military aid programs generally for Far Eastern areas. The report, prepared by the Working Group with the assistance of a representative of the Bureau of the Budget, was submitted for consideration by the reference memo of May 16 as NSC 61/1. Approved by the Secretaries of the Treasury and Commerce; disapproved by the Economic Cooperation Administrator, with comment. Reply of

NSC STATUS OF PROJECTS

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PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

COORDINATION OF U. S. AID PROJGRAMS FOR FAR EASTERN AREAS (Cont'd)

the Secretary of Defense with the views of the JCS, circulated by the reference memo of August 14, which summarizes the above replies and suggests an appropriate Council action in the light thereof. Approved by Defense and Treasury, August 17; by NSRB and ECA, August 18; by Commerce, with comments, August 19. Awaiting action by other Council members with respect to the suggestion in the reference memo of August 14.

UNITED STATES COURSES OF ACTION WITH RESPECT TO KOREA
(NSC 81/2; NSC Action No. 378; Memo for NSC from Executive Secretary same subject, dated November 14, 1950)

Interim report by the Executive Secretary (NSC 81/2), prepared in response to NSC Action No. 378, was submitted by the reference memorandum for memorandum action by the Council and the Secretary of the Treasury. Approved by Treasury, November 15; by Defense and NSRB, November 16. Awaiting action by other Council Members. (See also related project in Section 3B).

PROGRAM OF PHYSICAL SECURITY FOR INDUSTRIAL PLANTS AND ALLIES
FACILITIES

(Memo for NSC from Executive Secretary, same subject, dated November 20, 1950)

Report by the ICIS on the subject was submitted by the reference memorandum for memorandum action by the Council, the Secretary of the Treasury, the Attorney General, the Secretaries of the Interior and Commerce and the Chairman, Atomic Energy Commission. Awaiting action by all concerned.

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

C. ITEMS AWAITING SUBSEQUENT NSC CONSIDERATION

UNITED STATES POLICY TOWARD SPAIN
(NSC 72; NSC 72/1; NSC Action No. 312)

JCS views on the subject circulated as NSC 72 for the information of the Council. State views on the subject in response to NSC 72, circulated as NSC 72/1, also for the information of the Council. At its 60th Meeting the Council discussed the subject, deferred further action until the next Council meeting, and directed the NSC Consultants to study the reference papers in preparation for further Council consideration. Discussion of the subject further deferred at the request of Defense. To be scheduled on the agenda of a later Council meeting. (See also related project in Section 3C).

PROVISION OF A POLICE FORCE FOR JERUSALEM
(Progress Report, dated November 7, 1950, by the Under Secretary of State on NSC 27/3)

Circulated for the information of the Council and the Secretary of the Treasury. To be scheduled on the agenda of a later NSC Meeting.

UNITED STATES POSITION REGARDING STRENGTHENING THE DEFENSE OF EUROPE AND THE NATURE OF GERMANY'S CONTRIBUTION THERETO
(NSC 82 Series; Memo for NSC from Executive Secretary, same subject, dated November 8, 1950)

Memorandum by the Secretary of Defense on the subject, circulated at his request for the information of the Council and the Secretary of the Treasury. To be scheduled on the agenda of a later NSC Meeting.

THE POSITION OF THE UNITED STATES WITH RESPECT TO SCANDINAVIA
(NSC 28/1),

and

CURRENT POSITION OF THE U. S. RESPECTING BASE NEGOTIATIONS WITH DENMARK AND NORWAY (NSC 32/1)

(Progress Report, dated November 14, on the above subjects, by the Under Secretary of State)

Circulated for the information of the Council and the Secretary of the Treasury. To be scheduled on the agenda of a later NSC Meeting.

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

PROGRAM OF UNITED NATIONS ACTION TO STOP AGGRESSION
(Progress Report, dated November 16, 1950, by the Deputy Under Secretary of State on the subject)

Circulated for the information of the Council and the Secretary of the Treasury. To be scheduled on the agenda of a later NSC Meeting.

3. CURRENT NSC STAFF PROJECTS

A. SENIOR NSC STAFF

REVISED AGENDA FOR 72nd NSC MEETING (Dated November 20, 1950)

Items on the reference NSC agenda scheduled for discussion at the Senior Staff meeting on Tuesday, November 21, for use in briefing the respective Council members and other officials attending the Council meeting.

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY (Long-Term Political and Economic Framework, Annex No. 8 to NSC 68/1)

Scheduled for consideration at the Senior Staff meeting on Friday, November 24, is a draft paper entitled, "The Strategy of Freedom," prepared by the Department of State and circulated by State directly to Senior Staff members to serve as the basis for a revision of Annex No. 8 to NSC 68/1. (See related projects below and in Section 2A).

UNITED STATES POLICY WITH RESPECT TO BERLIN AND EASTERN GERMANY (NSC 89; NSC 73/4, par. 42; Memos for NSC from Executive Secretary, subject: "Additional Airlift to Support the Far East", dated September 27 and November 20, 1950; NSC Action No. 368; Memo for Senior NSC Staff from Executive Secretary, subject "United States Policy with Respect to Berlin and Eastern Germany", dated October 31, 1950)

At its 69th Meeting, the Council noted the reference memorandum of September 2, and the fact that the situation presented therein would be taken into consideration in the studies on the Berlin blockade referred to in par. 42 of NSC 73/4. Memoranda on the subject by the Deputy Under Secretary of State and the Secretary of Defense were circulated for the information of the Council and the Secretary of the Treasury as NSC 89, and referred to the NSC Staff for use in connection with this staff project pursuant to par. 42 of NSC 73/4. The Senior Staff discussed NSC 89 at its meeting on October 25, and agreed to consider the subject further upon receipt of a study on airlift capabilities under preparation in the JCS. JCS study circulated to Senior NSC Staff by reference memo dated October 31. Subsequent memorandum by the Deputy Secretary of Defense (reference memo of November 20) circulated for Council information and referred to the NSC Staff for consideration in connection with this project. To be scheduled on the agenda of a later Senior NSC Staff Meeting.

CURRENT NSC STAFF PROJECTS (Cont'd)

THE POSITION OF THE UNITED STATES WITH RESPECT TO COMMUNISM IN ITALY

(NSC 67/1; Memo for Senior NSC Staff from Executive Secretary, same subject, dated November 15, 1950)

Memorandum by the Deputy Under Secretary of State, containing a suggested revision of the Conclusions of NSC 67/1 in the light of developments in the Far East, transmitted by the reference memo for consideration by the Senior NSC Staff. To be scheduled on the agenda of a later Senior Staff meeting.

POSITION OF THE U. S. WITH RESPECT TO COMMUNIST CHINA

At its meeting on October 19, the Senior NSC Staff agreed that the Senior State member should recommend at a later meeting whether preparation of a report or reports on this subject is desirable, with particular reference to the following points:

- a. The contingency of Chinese Communist membership in the UN.
- b. Possibilities regarding the ultimate disposition of Formosa which would be acceptable to the U. S.
- c. Reconsideration of U. S. trade policy toward Communist China (NSC 41 Series).

It was agreed that if the project is undertaken the Senior State member would prepare for consideration by the Senior Staff a proposed outline of a report. Awaiting recommendation by Senior State member.

JAPANESE PEACE TREATY
(NSC 60/1)

At its meeting on September 15, the Senior NSC Staff agreed that this subject should be a continuing NSC project and that accordingly the Senior State member should keep the Senior Staff informed of any security policy issues which may arise, with a view to further consideration of the subject.

CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY

(Memo for NSC from Executive Secretary, same subject, dated November 14, 1950, NSC 68/2; NSC 68/1 and Annexes to NSC 68/1; NSC 68: NSC Actions Nos. 289, 295, 302, 304, 307, 308-d, 321, 326, 342-b, 350-b, 351 and 361)

In the light of NSC Actions Nos. 361-a and 361-b, the Senior NSC Staff, with the assistance of the ad hoc committee on NSC 68, on October 2:

- a. Agreed that the ad hoc committee on NSC 68 should prepare revised recommendations relating to the programs contained in Annexes 1 to 7 of NSC 68/1.
- b. Agreed that the Bureau of the Budget should be responsible for preparing, for consideration by the Senior NSC Staff, a revision of Annex 9 of NSC 68/1 in the light of the views of the various departments and agencies.
- c. Constituted a special committee, consisting of officials of the Council of Economic Advisers (Chairman), the Department of the Treasury, the National Security Resources Board, the Bureau of the Budget, and Mr. Harriman's office, with the participation of other departments and agencies whenever appropriate, to prepare agreed recommendations regarding Annex 10 of NSC 68/1 for consideration by the Senior NSC Staff.

In accordance with the agreement at the Senior NSC Staff meeting on October 4, the study on "U. S. military capabilities" referred to in NSC Action No. 308-d will be covered in connection with the revision of NSC 68/1 rather than as a separate project.

At the direction of the President, the Secretary of Commerce designated an official to join with the Senior NSC Staff in the revision of NSC 68/1.

At the Senior Staff meeting on October 30, a statement by the NSRB member was noted with respect to the seriousness of the current problem of the relation between domestic controls and military procurement programs. This statement was reiterated by the Senior NSRB member at the meeting of the Senior Staff on November 8.

Awaiting council action on Annex No. 1 at its meeting on November 22 for further staff action on the revision of NSC 68/1 in its entirety pursuant to the President's direction in the reference memorandum of November 14. (See related projects in Sections 2A and 3C.)

CURRENT NSC STAFF PROJECTS (Cont'd)B. NSC STAFF ASSISTANTSTHE POSITION OF THE UNITED STATES WITH RESPECT TO GREECE
(NSC Action No. 366-a, -b)

State draft report circulated August 8, to be revised by State in the light of the Staff Assistants' discussion on September 7. At the Senior Staff meeting on October 4, it was agreed that this project, among others, while not a matter of priority, should be completed as rapidly as possible. At its 69th Meeting, in connection with its discussion of a progress report on NSC 42/1, "U. S. Objectives with Respect to Greece and Turkey to Counter Soviet Threats to U. S. Security", the Council noted (NSC Action No. 366-a, -b) that the report on U. S. policy toward Greece in preparation by the NSC Staff will take into account the desirability of assisting the Greek Army in improving its ability to defend against external aggression from adjacent Soviet satellites. Revised State draft, dated October 26, to be further revised by State, JCS and CIA in light of discussion by Staff Assistants on November 7, to include political and economic aspects of the problem. Awaiting revised report by State in collaboration with JCS and CIA.

THE POSITION OF THE UNITED STATES TOWARD YUGOSLAVIA

(NSC 73/4, par. 37-a-(2); Memo for NSC from Executive Secretary, subject: "United States Policy Toward Yugoslavia and the Furnishing of Military Assistance to Yugoslavia in Case of Aggression", dated September 5, 1950)

Memo by the JCS circulated by the reference memo at the request of the Secretary of Defense for the information of the Council, and referred to the NSC Staff for use in connection with studies being prepared pursuant to NSC Action No. 348-b, with particular reference to the review of NSC 18/4. Referred by the Senior NSC Staff to the Staff Assistants for use in the preparation of a revised report on the above subject. At the Senior Staff meeting on October 4, it was agreed that this project, among others, while not a matter of priority, should be completed as rapidly as possible. Awaiting initial draft report by State.

GENERAL STATEMENTS OF PRINCIPLE DERIVED FROM NSC POLICY REPORTS
(NSC 73/4)

At its meeting on September 6, the Senior NSC Staff agreed that the Staff Assistants should examine existing NSC policy reports with a view to deriving therefrom any general statements of principle. At the Senior Staff meeting on October 4, it was agreed that this project, among others, while not a matter of priority, should be completed as rapidly as possible. Awaiting review of existing NSC policy reports by the Staff Assistants.

CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES COURSES OF ACTION WITH RESPECT TO KOREA

(NSC Action No. 378; NSC 81/1, NSC 81/2 and NSC 73/4; Memo for NSC from Executive Secretary, same subject, dated November 10, 1950; Memos for Senior NSC Staff from Executive Secretary, same subject, dated November 13, 15, and 17, 1950)

At its 71st Meeting, the Council directed the NSC Staff to study the views of the Department of State, the Joint Chiefs of Staff, and the Central Intelligence Agency, in the light of the Council discussion, and to advise the Council as to further steps which should be recommended to the President to meet the Korean situation. At its meeting on November 10, the Senior Staff agreed that the State Department would draft recommendations for consideration by the Senior NSC Staff, prior to their submission to the Council. An interim report by the NSC Staff was submitted as NSC 81/2 for consideration by the Council and the Secretary of the Treasury. (See Section 2-B, Item 4.)

A draft interim report on the subject, supplemental to NSC 81/2, prepared by the Senior Defense Member, was circulated by the reference memo dated November 17, discussed by the Senior NSC Staff on November 20, and referred to the NSC Staff Assistants for revision in the light of the discussion at the meeting. Awaiting Staff revision.

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CURRENT NSC STAFF PROJECTS (Cont'd)C. OTHER CURRENT NSC STAFF PROJECTSUNITED STATES POLICY TOWARD SPAIN

(NSC 72; NSC 72/1; NSC Action No. 312; Memo for NSC Consultants, subject: "The Provision of Military Aid to Spain", dated August 3, 1950; Revised Memo of Senior NSC Staff Meeting, August 11, 1950)

JCS views on the subject circulated as NSC 72 for the information of the Council. State views on the subject in response to NSC 72, circulated as NSC 72/1 also for the information of the Council. At its 60th Meeting the Council discussed the subject, deferred further action until the next Council meeting, and directed the NSC Consultants to study the reference papers in preparation for further Council consideration. A memo for the President by the Secretary of Defense on "The Provision of Military Aid to Spain", referred by the President to the Executive Secretary, was circulated by the reference memo for the information and use of the NSC Consultants and Staff in connection with their study of NSC 72 and NSC 72/1. At a Senior NSC Staff meeting on August 11, it was agreed to reconsider our relationship with Spain on the basis of a statement of U. S. military requirements with respect to Spain. Awaiting paper by Senior JCS member, scheduled for completion at an early date. (See also Section 2-C, Item 1.)

RELEASE OF INFORMATION REGARDING NEW WEAPONS

(Memo for NSC Consultants and AEC Representative from Executive Secretary, same subject, dated July 5, 1950)

At the direction of the President, the Council and the Chairman, Atomic Energy Commission, have undertaken a consideration of the general problem of weapons information, including atomic weapons, in order to make appropriate recommendations to the President on the subject. A draft report prepared by the Executive Secretary in accordance with the discussion at a meeting on June 22, has been circulated to the NSC Staff and a representative of the AEC by the reference memo. Awaiting redraft of this report by Defense.

A PLAN FOR NATIONAL PSYCHOLOGICAL WARFARE

(NSC 74; Memo for NSC from Executive Secretary, same subject, dated September 14, 1950)

In light of the divergent views with respect to NSC 74 (reference memo), the Senior NSC Staff, at its meeting on September 15, agreed that the organization established in the Department of State pursuant

NSC STATUS OF PROJECTS

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CURRENT NSC STAFF PROJECTS (Cont'd)

A PLAN FOR NATIONAL PSYCHOLOGICAL WARFARE (Cont'd)

to NSC 59/1 should make a further effort to reconcile those views at an early date and submit a report to the Senior Staff.

At its meeting on November 14, the Senior NSC Staff agreed that this report should be submitted not later than November 24. Awaiting report from State. (See also Section 2-B, Item 2.)

U. S. COURSES OF ACTION IN THE EVENT THE SOVIETS ATTEMPT TO
CLOSE THE BALTIC
(NSC 88)

Memo by the JCS circulated for the information of the Council and the Secretary of the Treasury and, upon the recommendation of the Secretary of Defense, who concurs in paragraph 6 thereof, referred to the NSC Staff for use in the preparation of a report for Council consideration. At its meeting on October 19, the Senior NSC Staff agreed that the Department of State should prepare for consideration by the NSC Staff a draft report on the subject taking into account the views of the JCS in NSC 88. Awaiting draft report from State.

THE POSITION OF THE UNITED STATES WITH RESPECT TO INDOCHINA

At its meeting on October 19, the Senior NSC Staff agreed to consider this subject further upon receipt of a draft paper on the subject prepared by the Southeast Asia Aid Committee, together with the comments of the State Department, the Joint Secretaries, and the Joint Chiefs of Staff thereon. At a meeting of the Senior NSC Staff on November 8, the Senior JCS Member reported that a report on this subject would be forthcoming presently. Awaiting report by Defense.

UNITED STATES POLICY WITH RESPECT TO TURKEY
(NSC Action No. 366-g)

In accordance with the reference action, the NSC Staff has been directed to prepare a report on the subject. At its meeting on November 8, the Senior NSC Staff agreed that the State Department, in consultation with Defense, would prepare a draft report on the subject for consideration by the Senior NSC Staff. Awaiting State report.

CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES AND ALLIED WAR OBJECTIVES IN THE EVENT OF GLOBAL WAR
(NSC 79; Memo for NSC from Executive Secretary, same subject, dated September 6, 1950)

Memo on the subject by the JCS (NSC 79) circulated at the request of the Secretary of Defense for the information of the NSC and referred to the NSC Staff for use in the preparation of a report for Council consideration.

The NSC was advised, by the reference memo, of the Senior NSC Staff's decision to designate an ad hoc group of specially-qualified officials to undertake preliminary work on a draft report which will include both a statement of war objectives in the event of global war, and such related questions as a statement of the conditions that the U. S. would be willing to accept for a peaceful settlement with the USSR and its satellites. After preliminary exploration of the problem by the ad hoc group, the State Department Policy Planning Staff will prepare the first draft of a report in the light of the discussions by the ad hoc group. At the Senior NSC Staff meeting on October 2, it was agreed to establish November 15, 1950 as the target date for completion of a report on the subject for Council consideration. At the initial meeting of the ad hoc group under the chairmanship of the State Department member on October 6, the form and content of a response to the problems posed by NSC 79 were discussed and agreed upon. Awaiting draft by the Policy Planning Staff in the light of the discussion by the ad hoc group.

UNITED STATES POLICY ON DEFECTORS
(NSC 86; NSC Action No. 364)

The reference report by the Secretary of Defense, enclosing a memo by the Joint Secretaries on the subject, was submitted for consideration by the NSC and the Secretary of the Treasury of the Recommendation contained therein that an ad hoc committee be appointed to undertake a study of the entire defector problem.

At its 69th Meeting the Council referred NSC 86, without endorsement of the proposals contained therein, to the NSC Staff for the preparation of a study of U. S. policy on defectors, with a view to making appropriate recommendations to the Council. At its meeting on October 13, the Senior NSC Staff agreed to notify the Executive Secretary at an early date of the names of representatives on an ad hoc committee on this subject, which will include representation from the Department of Justice. The following designations were received as of October 23: State, Mr. Fisher; Defense, Secretary Matthews; NSRB, Mr. Lanphier; Treasury, Mr. McNeil; JCS, Rear Admiral Stevens; CIA, Mr. Carey; Mr. Harriman's office, Mr. Berger; Justice, Col. Naramore.

CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES POLICY ON DEFECTORS (Cont'd)

At its first meeting on October 26, the ad hoc committee agreed that initial studies would be prepared by the Department of State and CIA, with appropriate advice and assistance from the other departments and agencies represented on the ad hoc committee. Awaiting reports from State and CIA.

THE POSITION OF THE UNITED STATES WITH RESPECT TO IRAN

At the Senior NSC Staff meeting on October 4, it was agreed that this project should be completed as a matter of priority. After several revisions, a draft report by the Staff Assistants was submitted for Senior NSC Staff consideration on October 18. At its meeting on October 19 the Senior NSC Staff considered the draft report and referred it to the Staff Assistants for further revision in the light of the discussion.

A redraft by the Staff Assistants, dated October 24, was considered by the Senior NSC Staff at its meeting on October 25. At that meeting, the Senior Staff agreed that the draft report on the subject to be prepared for Council consideration should be based upon a complete reassessment of the U. S. position toward Iran, including a review of the applicability to Iran of the basic U. S. position relating to the Eastern Mediterranean and the Middle East, approved in 1947, and of current British thinking regarding this area.

At the Senior Staff meeting on October 30 it was agreed that the solution of the problem of determining the importance of the Middle East in general, and of Iran in particular, to the security of the United States, depended in part on the value of the oil resources of these areas to the economy of Western Europe. The CIA member was requested, with assistance from appropriate departments and agencies, to prepare as early as possible an intelligence estimate of the extent to which the Western European economy is dependent upon Middle Eastern oil, and of the related problems involved in alternate sources of supply. Awaiting report by CIA.

COLLABORATION WITH FRIENDLY GOVERNMENTS ON OPERATIONS AGAINST CUERRILLAS
(NSC 90)

Report by the Secretary of State, circulated for the information of the Council and the Secretary of the Treasury and, as recommended therein, referred to the Senior NSC Staff for use in the preparation of a report. At the Senior Staff meeting on October 30 the Senior

CURRENT NSC STAFF PROJECTS (Cont'd)

COLLABORATION WITH FRIENDLY GOVERNMENTS ON OPERATIONS
AGAINST GUERRILLAS (Cont'd)

State and JCS members undertook to collaborate in the preparation of a draft NSC paper covering both the political and military aspects of the problem; and the Senior CIA member agreed to prepare an intelligence estimate on current and probable areas and characteristics of guerrilla warfare. Awaiting reports by State and JCS, and by CIA, respectively.

THE UNITED STATES POSITION WITH RESPECT TO SOUTH ASIA

(Memos for NSC from Executive Secretary, subject: "Appraisal of U. S. National Interests in South Asia", dated June 2 and June 17, 1949; SANACC 360/14; NSC Action No. 224; NSC 48/2; Memo for the NSC Staff from Executive Secretary, same subject, dated November 1, 1950)

Report by SANACC (360/14) on the subject, and amendments proposed by the Secretary of Defense, referred by the Council at its 42nd Meeting to the NSC Staff for use in preparation of a report pursuant to NSC 48, "U. S. Policy Toward Asia", and for re-examination in light of that study (NSC 48/2) and the discussion at the meeting. After a number of staff drafts and revisions, consideration by Staff Assistants temporarily deferred pending further consideration of the subject by State. At the Senior Staff meeting on October 4, it was agreed that this project, among others, while not a matter of priority, should be completed as rapidly as possible. State revision circulated October 19, discussed by Staff Assistants on October 27, and, with final revision, submitted November 1 for Senior NSC Staff consideration. At its meeting on November 3, the Senior NSC Staff referred the draft report to the Department of State for preparation of a new draft which, in addition to area-wide policy, would also emphasize U. S. policies regarding the respective countries within the area, following the example of NSC 48/2. Awaiting report by the Department of State.

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY
(Annexes Nos. 1-7 to NSC 68/1)

In accordance with the agreement at the Senior NSC Staff meeting on October 2, the ad hoc committee on NSC 68 was directed to prepare revised recommendations relating to the programs contained in the subject Annexes.

At a meeting of the ad hoc committee on October 6, assignments of responsibility for revision of Annexes Nos. 1-7 were agreed upon in a schedule designed to meet the deadline of November 15.

CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY (Cont'd)

At a meeting of the ad hoc committee on October 12, Annex No. 7, "The Internal Security Program", was accepted in general as a balanced program within the framework of the NSC 68 project and is now ready for consideration by the Senior NSC Staff. Changes accepted by the ad hoc committee at the October 12 meeting were circulated by memo dated November 10, together with changes suggested by the Department of the Treasury, which will be scheduled for consideration at the next meeting of the ad hoc committee.

Revisions of the other Annexes are scheduled for completion within the framework of the present deadline schedule, and Parts I, II, III and IV of NSC 68/1 are to be revised in the light of the revisions of the Annexes.

At its meeting on November 2, the ad hoc committee agreed that Annex No. 5, "The Information and Educational Exchange Program", subject to changes suggested at the meeting and the inclusion of a statement to be prepared on the ECA information program, represented a balanced information program within the provisional framework of the NSC 68 project. The Department of State will prepare the revision of this Annex along the lines indicated.

The revision of Annex No. 4, "The Stockpiling Program", was discussed at a meeting of the ad hoc committee on November 2 and referred back to the NSRB for further revision upon receipt of the anticipated military and other programs currently under revision in Annex No. 1.

A revision of Annex No. 3, "The Civil Defense Program", has been deferred for consideration at the next ad hoc committee meeting. (See also Sections 2-A and 3-A, and other related projects immediately below.)

ORGANIZATION FOR COORDINATING NATIONAL SECURITY POLICIES
AND PROGRAMS

(Annex No. 9 to NSC 68/1)

In accordance with the agreement at the Senior NSC Staff meeting on October 2, the Bureau of the Budget assumed responsibility for preparing a revision of the subject Annex in the light of the views of the various departments and agencies. Awaiting revision by the Bureau of the Budget. (See also Section 3-A.)

CURRENT NSC STAFF PROJECTS (Cont'd)

THE ECONOMIC IMPLICATIONS OF THE PROPOSED PROGRAMS:
REQUIRED FISCAL, BUDGETARY AND OTHER ECONOMIC POLICIES
(Annex No. 10 to NSC 68/1)

In accordance with the agreement at the Senior NSC Staff meeting on October 2, a special committee, consisting of officials of the Council of Economic Advisers (Chairman), the Department of the Treasury, the National Security Resources Board, the Bureau of the Budget, and Mr. Harriman's office, with the participation of other departments and agencies when appropriate, was constituted to prepare agreed recommendations regarding the subject Annex. Awaiting recommendations by the special committee. (See also Section 3-A.)

EAST-WEST TRADE

A special committee on East-West Trade was constituted by the Senior NSC Staff on November 3, to draft reports for the Council on the subject. Membership of the committee is as follows:

State:	Mr. Willard L. Thorp
Defense:	Mr. Roscoe Seyboldt
NSRB:	Mr. Thomas G. Lanphier, Jr.
Treasury:	Mr. Lowell M. Pumphrey
Commerce:	Mr. Thomas C. Blaisdell
ECA:	Mr. W. H. Joyce, Jr.
JCS:	Maj. Gen. Albert Pierson
CIA:	Mr. Lowell J. Chawner
Mr. Harriman's Office:	Mr. John Harriman

Projects under consideration by this special committee include:

a. OPERATION OF ISBRANDTSEN COMPANY, INC. SHIPS TO COMMUNIST COUNTRIES

(NSC 87; Memos for Senior NSC Staff from Executive Secretary, subject: "Strengthening of Export Control Laws", dated October 16 and 25, 1950; Memo for NSC from Executive Secretary, same subject, dated November 1, 1950; Memo for Special Committee on East-West Trade from Executive Secretary, subject: "East-West Trade", dated November 18, 1950)

Memorandum by the JCS (NSC 87) circulated, at the request of the Secretary of Defense, to the Council for information and referred to the NSC Staff for use in the preparation, as a matter of priority, of recommendations as to specific governmental measures to be taken, for early consideration by the Council, the Secretary of the Treasury, the Attorney General, and the Secretary of

CURRENT NSC STAFF PROJECTS (Cont'd)

EAST-WEST TRADE (Cont'd)

OPERATION OF ISBRANDTSEN COMPANY, INC. SHIPS TO COMMUNIST COUNTRIES (Cont'd)

Commerce. At its meeting on October 13, the Senior NSC Staff agreed that the Department of Commerce should proceed with investigation and appropriate enforcement action in the light of NSC 87. The Senior Staff further agreed to consider at a later date any questions of policy that might arise as a result of such investigation and enforcement action. In the meantime, the Senior Staff agreed to study a draft proposal for strengthening the export control laws informally submitted by the Department of Justice representative and circulated by the reference memo dated October 16.

Memos relating to the subject, transmitted by the Assistant Secretary of Commerce, Mr. Blaisdell, were circulated for information of the Senior NSC Staff by the reference memo dated October 25, and to serve as the basis for further consideration of the subject at a future meeting.

Memo by the Secretary of Defense on the subject circulated by the reference memo dated November 1, for the information of the Council, the Secretary of the Treasury, the Attorney General, and the Secretary of Commerce, and referred to the NSC Staff, including officials of the Departments of Justice and Commerce for this purpose, for use in connection with this project.

At its meeting on November 8, the Senior NSC Staff agreed that this project should be referred to the Special Committee on East-West Trade. Awaiting consideration by the Special Committee.

- b. NSC DETERMINATIONS ON EAST-WEST TRADE;
EXPORT CONTROLS AND SECURITY POLICY
(Public Law 843, 81st Congress, 2nd Session; NSC Action No. 347; NSC 69 Series; Memo for Special Committee on East-West Trade from Executive Secretary, subject: "East-West Trade", dated November 18, 1950)

In connection with the Council's responsibilities on the subject under Chapter XIII, Section 1304, of Public Law 843, 81st Congress, 2nd Session, approved September 27, 1950, the Senior NSC Staff agreed at its meeting on October 4 that the Senior State member should present recommendations on the subject for consideration by the Senior Staff.

CURRENT NSC STAFF PROJECTS (Cont'd)

EAST-WEST TRADE (Cont'd)

NSC DETERMINATIONS ON EAST-WEST TRADE;
EXPORT CONTROLS AND SECURITY POLICY (Cont'd)

At its meeting on October 25, the Senior NSC Staff agreed to consider the suggestion of the Executive Secretary that a subcommittee, to include officials of the Department of Commerce and the Economic Cooperation Administration, be established to prepare recommendations on the subjects for consideration by the Senior Staff.

At its meeting on November 8, the Senior NSC Staff agreed that this project should be referred to the Special Committee on East-West Trade. The Special Committee, on November 14, agreed that the Department of State, with the cooperation of all other interested departments and agencies, should prepare a draft report for consideration by the Special Committee as a matter of urgency. Awaiting State report.

4. OTHER CURRENT COUNCIL PROJECTS

APPRAISAL OF FOREIGN ECONOMIC INTELLIGENCE REQUIREMENTS,
FACILITIES AND ARRANGEMENTS RELATED TO THE NATIONAL SECURITY
(Memo for NSC from Executive Secretary, same subject, dated February 7, 1950; NSC Action No. 282)

In approving the proposal by the Acting Chairman, NSRB, in the reference memo, the NSC directed (NSC Action No. 282) the CIA, in collaboration with the Government agencies concerned, to organize and conduct a study of foreign economic intelligence requirements, facilities and arrangements related to the national security, and, based on the findings of this study, to prepare for Council consideration and action a comprehensive plan for satisfying the foreign economic intelligence requirements of the national security and for a coordinated interagency effort to this end based on a definite allocation of responsibilities among the agencies concerned.

Pursuant to the President's direction, the Director of Central Intelligence was requested, on September 1, 1950, to prepare a report on the present status of this project.

On September 8, the Director of Central Intelligence reported that: (a) a draft statement of requirements was undergoing internal CIA coordination to be completed by September 15; (b) preliminary surveys of Army, Navy and Air Force facilities relating to the production of economic intelligence had been received; and (c) plans in collaboration with the Bureau of the Budget were in preparation for a survey of governmental economic facilities outside the Defense Department. It was also reported that close collaboration with Budget was necessary because, when this project was assigned to CIA, Budget was already engaged in a survey of Foreign Service economic reporting and was planning a survey of the use of commodity specialists in the Government. Accordingly, CIA and Budget agreed to execute these projects jointly. The Foreign Service survey is now in draft form but the commodity specialist survey has been delayed. CIA has requested Budget to release CIA from the commitment for a joint survey in order that CIA may proceed with its project. It was also reported that NSRB representatives had participated in CIA plans pursuant to the basic directive and have been kept informed of progress to date.

On October 4, the Director of Central Intelligence reported further that the draft statement of requirements was still under internal CIA coordination and that agreement has been reached with the Bureau of the Budget for CIA to proceed with departmental surveys of facilities in consultation with the Bureau.

On November 4, the Director of Central Intelligence reported that a final draft on requirements was scheduled for completion by December 14, and that the surveys referred to above were scheduled for completion by November 30. Awaiting final report by CIA.

OTHER CURRENT COUNCIL PROJECTS (Cont'd)

NATIONAL MANPOWER MOBILIZATION POLICY
(NSC 77; NSC Action No. 328-b)

At its 63rd Meeting (NSC Action No. 328), the Council, the Secretary of the Treasury, and the Secretary of Labor considered a report by the Chairman, NSRB, on the subject (NSC 77) and noted the President's directive that the Chairman, NSRB, in consultation with the Departments of Defense and Labor, should develop a national manpower mobilization policy. Pursuant to the President's direction, the Chairman, NSRB, was requested, on September 1, 1950, to prepare a report on the present status of this project. The Chairman, NSRB, is developing a policy, in which all but one of a number of issues have been agreed upon to date, in consultation with the Secretaries of Defense and Labor for submission to the Council at an early date. Awaiting report by the Chairman, NSRB.

SUPPORT FOR THE VOICE OF AMERICA IN THE FIELDS OF INTELLIGENCE AND OF RESEARCH AND DEVELOPMENT

(NSC 66; Memos for NSC from Executive Secretary, same subject, dated April 4, May 11, and September 11, 1950)

The reference report by the Secretary of State submitted by the reference memo of April 4 for consideration and memorandum action by the Council, the Secretary of the Treasury, and the Chairman, Federal Communications Commission. In accordance with the suggestion of the Secretary of State, the Secretaries of State and Defense, the Chairman, FCC, and the Director of Central Intelligence, were requested to designate representatives in advance to prepare a report for consideration by the Council, the Secretary of the Treasury, and the Chairman, FCC, in the event that the recommendations in NSC 66 were approved. The following actions have been received:

State:	Approves recommendations; designates Mr. Howland Sargeant.
Defense:	Recommends no further action by the Council until an ad hoc committee of the IAC completes its current investigation of the problem.
Treasury:	Approves recommendations.
NSRB:	Approves recommendations.
FCC:	Disapproves recommendations, with comment that there should be a re-evaluation of the entire "Voice" operations; designates Mr. Curtis B. Plummer.

OTHER CURRENT COUNCIL PROJECTS (Cont'd)

SUPPORT FOR THE VOICE OF AMERICA IN THE FIELDS OF
INTELLIGENCE AND OF RESEARCH AND DEVELOPMENT (Cont'd)

CIA: Designates Mr. Ralph L. Clark, and reports
on current related activities.

Defense, FCC, and CIA comments transmitted by the reference memo of May 11 for Council consideration in connection with NSC 66. The departments and agencies concerned agreed informally that this item should not be scheduled for Council consideration until the Director of Central Intelligence and the IAC had submitted recommendations in the light of the report of the ad hoc committee of the IAC referred to above. Pursuant to the President's direction, the Director of Central Intelligence was requested, on September 1, 1950, to prepare a report on the present status of this project. An interim report by the Director of Central Intelligence, transmitting a "Report of the IAC Ad Hoc Committee on Soviet Jamming of the Voice of America", dated June 2, 1950, and comments thereon by the Director of Intelligence, Headquarters, USAF, has been circulated by the reference memo dated September 11, for the information of the Council, the Secretary of the Treasury, and the Chairman, FCC, pending receipt of the views of the USCIB on Recommendation three in the report of the ad hoc committee.

A second interim report by the Director of Central Intelligence, dated October 3, 1950, stated that USCIB agreed to establish an ad hoc committee to consider with VOA representatives the problem of providing assistance to the VOA program to include the determination of estimates of personnel, facilities and funds required to carry out the program envisaged by the VOA; and that the military services would proceed on an interim basis with an effort to determine what assistance to the VOA could be rendered with existing facilities and personnel. A report by the Deputy Director of Central Intelligence on November 7 stated that the USCIB views were expected on November 9. Awaiting the views of the USCIB and final report by the Director of Central Intelligence.

THE POSITION OF THE UNITED STATES WITH RESPECT TO ASIA

(NSC 48/2; Memo for NSC from Executive Secretary, same subject, dated November 20, 1950)

Memorandum by the Deputy Secretary of Defense on the subject, circulated for Council information by the reference memo and referred to the Secretary of State for consideration of the action proposed in the second paragraph thereof. Awaiting response by the Secretary of State.

5. CANCELLED PROJECTS

DISCUSSION OF U. S. POLICY TOWARD INTER-AMERICAN MILITARY
COLLABORATION

(NSC 56/2; NSC Actions Nos. 301-b and 383-b)

When adopting the reference report, the NSC agreed to discuss the subject of the report at a later date prior to the anticipated trip to Latin America of the Secretary of Defense. Cancelled by the Council at its 71st Meeting on November 8 (NSC Action No. 383-b).

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